

## WORKSHOP 9: MAKING THE BUSINESS CASE FOR ROAD SAFETY INVESTMENT TO ACHIEVE SUSTAINABLE ROAD MOBILITY



### PANELISTS:

- Ken SHAW, Global Road Safety Partnership, Senior Advisor - Chairman
- Adrian WALSH, ROADS SAFE, Director – Co-Chairman
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- Claudia ADRIAZOLA-DELGADO, Embarq, The WRI Centre for Sustainable Transport, Health & Road Safety Program, Director
- Rohit BALUJA, IRTE India, President
- Saul BILLINGSLEY, FIA Foundation, Deputy Director General
- Richard DRISCOLL, Renault SAS, Road Safety Manager
- Jack HANLEY, Network of Employers for Traffic Safety, Executive Director
- Marc JUHEL, World Bank, Transport Sector Manager
- Kiran KAPILA, IRF, Chairman
- Jacqueline LACROIX, German Road Safety Council, Head of Division for European Affairs
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- Patrick LEPERCO, Michelin, Corporate Vice President Public Affairs
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Following the launch of the Decade of Action for Road Safety, Michelin has brought together leading civil society, business and public sector champions to report on the business case for investment to achieve safe sustainable road mobility. Road crash deaths and injuries are now recognized as a global public health epidemic and development concern requiring action especially in low- and middle-income countries.

Using case studies from low- and middle-income countries the report in the form of White Paper will:

- Make the case for serious investment by governments in road safety for their people and recommend the need to develop clear and accepted methodology for cost assessment, applicable for countries with poor data
- Show how private sector companies have recognized the need to invest to improve road safety performance
- Provide strong examples of public/private and peer to peer partnerships
- Highlight how governments are achieving success through investing in road safety

The White Paper will contribute to the Global Decade of Action for Road Safety, the inclusion of road safety in the Millennium development goals and the G 20 agenda. It will show that road crashes have a major negative economic and social impact, especially in developing countries.

Developed countries have proven that efficient measures can be taken to reduce crashes. In many OECD countries the number of road fatalities has reduced by more than 50% since 1970.

The White Paper will show how business is tackling this issue where around 30% of road traffic crashes are work related, and how businesses and civil society can work in partnership with governments to reduce crashes and improve efficiency.

The silver line of the White Paper is to deliver a clear message to governments, public authorities and the private sector that expenditure in road safety is an investment and not a cost - each dollar invested in road safety returns 15 Dollars on average, which makes the rate of return a stunning 1,500%<sup>1</sup>.

The White Paper resulting from the workshop will be published shortly and distributed among the stakeholders from the

private and public sectors for use as a reference and a guideline for the road safety investment issue.

The White Paper will be divided into five parts. The first one will present the different costing methods and some case studies, while also looking into the impact on the deprived communities. The second describes the methods to analyse the cost-benefit and cost-efficiency of measures and will provide some examples of the most efficient and profitable measures. The third will deal with the costs of crashes for businesses. The fourth will provide guidelines to put in place an efficient road safety public policy. Finally, the fifth will describe the benefits of private-public partnership in the road safety area.

Some case studies in the report are described in detail. For several of them we provide a brief description with a link to the whole document. In the appendices there are a number of case studies written by the experts for our report.

**Road crashes have a major negative social and economic impact – in developing countries it is more than the total aid they receive from international donors.**

Road transportation has been a major factor for development by increasing mobility. Among other things, it has fostered trade, access to markets, education and health care. Unfortunately, the increase in transportation has not been without a set of negative side effects particularly in the form of road crashes.

The World Health Organization has estimated that in 2004 road crashes caused 1.27 million deaths and between 20 and 50 million people suffered non-fatal injuries<sup>2</sup>. Over 90% of the accident fatalities happen in low-income and middle-income countries while they account for only 48% of the world's registered vehicles. It is striking that in developing countries most of the casualties are vulnerable road users, for instance 70% of the road related deaths in the Western Pacific Region were vulnerable road users. In 2004, road traffic injuries were the 9th leading cause of death and according to estimates from the WHO, they will rise to being the 5th in 2030.

The most affected age group is 15-29, where road crashes are the leading cause of death. The World Health Organization and the Association for Safe International Road Travel have jointly



developed a book entitled “Faces behind the figures: voices of road traffic crash victims and their families”<sup>3</sup>, to put a human face on the statistics presented in the many road safety reports published around the world. The stories demonstrate the physical, psychological, emotional and economic devastation that results from road traffic injuries.

The fast growing market for vehicles in developing countries gives us a gloomy scenario for the future. If no action is taken, the WHO estimates that the number of deaths related to road traffic to be of 2.4 million in 2030. Developed countries have managed to stabilize and even decrease the number of road crashes and related deaths and injuries, thus the additional number of deaths is expected to come from developing countries.

Working for road safety is not only morally correct, it also fulfils an economic rationale. The cost of crashes in the world is estimated to be around 518 billion US Dollars and to cost between 1 and 3% of a country’s GDP; a cost to the whole society<sup>4</sup>. The burden on developing countries is 65 billion US Dollars, representing more than the total aid they receive from bilateral and multilateral donors. Crashes are not only a massive money drain for countries; they are also a socio-economic issue<sup>5</sup>.

Still, the number of road crashes and fatalities is high and incompatible with sustainable mobility. The impact of crashes is significantly greater on low-income households than on non-low-income. A study of Bangladesh and the city of Bangalore showed that more than 50% of the households that were considered poor after a crash leading to a death or serious injury wouldn’t have been classified as such before the crash<sup>6</sup>. Poor families often have to take up loans or sell property in order to cope with the loss of income and costs of a death or injury.

The launch of the Global Decade of Action for Road Safety 2011-2020 is a proof that governments, businesses and civil society are slowly realizing that it is “Time for Action”. The reduction in the numbers of crashes in developed countries has shown that road crash prevention is possible and profitable. Development banks, bilateral donors and business are more and more aware of the urgency of the situation, particularly in developing countries, and willingness to provide funds, grants, technical support or have pilot programs in order to contain the growing flow of crashes is growing. The causes of crashes are known and

efficient and profitable actions to fight them have also been applied and proven.

It is important that the Decade of Action not only raises awareness but also leads to political action in coordination with the private sector, which has a lot of leverage particularly in fleet management.

Road safety is an essential component of public policies to promote sustainable road mobility and to contribute to social and economic development.

1. This calculation has been made on the basis of the Swiss case study (Eckhardt and Seitz, 1998), a case study on the Safer Roads Investment Plan for Serbia (Safer Roads Investment Plans: The iRAP Methodology) and a study by the National Highway Traffic Safety Administration (NHTSA) “What Do Traffic Crashes Cost?”
2. WHO 2009 Global Status Report
3. WHO & ASIRT 2007: Faces behind the figures.
4. WHO 2009 Global Status Report
5. TNT Express has initiated a social fund in India to address this specific issue. This fund is available to support families of any person killed in a road traffic accident involving a contractor vehicle operating on behalf of TNT India
6. The Involvement and Impact of Road Crashes on the Poor: Bangladesh and India Case Studies by Ms A Aeron-Thomas (TRL), Dr G D Jacobs (TRL), Mr B Sexton (TRL), Dr G Gururaj (NIMHANS), and Dr F Rahman (ICMH) Copyright TRL Limited July 2004, p.19



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- Clean mobility: control emissions to improve the air quality.
- Safe mobility: develop solutions for the conception of safer vehicles.

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